LNF & IHCIF Calculations Illustration

- SAC AND FOX in Aberdeen area -

Given Data

- 777 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 96.2% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- $2,581 per person for purchased services = 90% * 96.2% * $2,980
- $404 per person for in-house services = 10% * 135.7% * $2,980
- $2,986 per person total = $2,581 (purchase) + $404 (in-house)
- **$3,246 per person total** adjusted for health status = $2,986 * 108.7%
- **$2,501 per person net cost** = $3,246 - $745 Other resources (M&M&PI)

Existing Expenditures (for 777 users excluding wrap-around and collections)

- $1,485 per person = local IHS allowance (excludes $ for wrap-around)
- $204 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,743 per person for OU users** = $1,485 + $204 + $54

LNF Calculation

- **53.7% Gross LNF** = $1,743 (expenditures) / $3,246 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **69.7% Net LNF** = $1,743 / $2,501 net cost ($3,246 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 69.7% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

SAC AND FOX Unmet Needs

- **$1,943,118 Net Total Need** = 777 users * $2,501 net cost
- **$588,802 Net Unmet Need** = (100% - 69.7% LNF) * 777 users * $2,501 net cost